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Federal Election Commission  
Washington, DC 20463

**SENSITIVE**

**MEMORANDUM**

February 21, 2014

TO: The Commission

THROUGH: *fp* Alec Palmer, Staff Director *Om*

FROM: Patricia C. Orrock *PCO*  
Chief Compliance Officer

Lynn M. Fraser *LMF*  
Director, ADR Office

SUBJECT: ADR 666 Mississippi Democratic Party PAC and Ryan Brown, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Develop and certify implementation of a compliance operations manual which includes internal controls consistent with the Commission's Best Practices for Committee Management (2009 update) and a process to track receipt of, and response to, communications with the Commission; send a representative to an FEC conference; and pay a civil penalty of \$1,150.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 666 (AD A11-10). The ADR Office received this referral on October 30, 2014.

**SUMMARY:** In this case, the Audit Division referred the Mississippi Democratic Party PAC and Ryan Brown, Treasurer, for a misstatement of financial activity during calendar years 2009 and 2010. After reviewing the Committee's financial records and reports filed with the Commission, the audit revealed in Finding 1A that a series of understatements and overstatements of receipts and disbursements resulted in an overstatement of the ending cash balance for 2009 of \$45,889. In addition, while the audit revealed a \$228,932 understatement of receipts from January 1, 2009 through December 31, 2010, this Finding was not referred as the

Recommendation to Approve  
Settlement Agreement  
ADR 666 (AD A11-10)

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Committee amended its report to correct the record prior to notification of this audit.

Respondents acknowledge previous errors and omissions during calendar year 2009. Respondents contend that in response to the Interim Audit Report recommendations, they amended reports for 2009 which materially corrected the misstatements. The Committee made significant changes to their personnel and procedures to become compliant. Respondents asserted that in addition to changes in financial procedures, they purchased software that will ensure timely responses to communications with the Commission, hired a Compliance Director, contracted with a compliance consultant, and retained counsel to review reports and training.

**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of the Mississippi Democratic Party PAC and Ryan Brown, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.